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Sent: Friday, April 19, 2019 12:13 PM
To: Ryan Waller
Subject: Legislative Link: Property Tax Reform Edition



Legislative Link

April 19, 2019

88th General Assembly

Property Tax Reform Edition

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You need to know

- Property Tax Legislation has advanced to the floor in both chambers:
 - [HF773](#) passed out of the House Ways & Means Committee on April 10.
 - [SSB1260](#) passed out of the Senate Ways & Means Committee on April 18 and received a new bill number: [SF634](#).
- The legislative session is quickly winding down. The 110th day of the legislative session is [May 3](#).
- Thank you to our members! We are in the state Capitol to serve you by keeping you informed about the legislative process and to make sure your

voice is being heard by legislators. It's no secret, we can't effectively do that without you.

- Thank you to all of our members who have been providing information to their legislators throughout the session and during the property tax reform discussion. Legislation can impact cities differently, and it is critical that legislators understand the wide variety of impacts throughout the state. Thank you to all of you who have taken the time to provide information and participate in the legislative process!

Property Tax Reform

****Study First, Make Changes Second****

The Senate version of property tax reform contained language that would establish a "Property Tax System Advisory Group" which would comprehensively analyze the existing property tax laws, rules, programs and systems.

Our members believe it is important to do this study before passing legislation this significant.

There are currently two bills dealing with the subject of property tax reform, [HF773](#) in the House, and [SF634](#) in the Senate. The bills are similar, but with some significant differences. Both share the goal of trying to disconnect changes in property assessments due to revaluations from property tax revenues that cities and counties receive. We have created a chart to help explain some of the similarities and differences.

| | HF773 | SF634 |
|-----------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Soft Cap | 2% "Soft Cap" limitation on revenue growth. | 2% "Soft Cap" limitation on revenue growth. |
| Hard Cap | No Hard Cap. | 3% Hard Cap: 2% soft cap, additional 1% may be levied if noticed properly, subject to reverse referendum. |

| | | |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Ability to Exceed | Ability to exceed 2% “soft cap” to meet needs. Uncapped. | No ability to levy funds beyond the proposed hard 3% cap. |
| | January 31 deadline to notify county commissioner of election, if needing to exceed. | December 31 deadline to notify county commissioner of election, if needing to utilize the additional 1%. |
| Pensions / Retirement | Pension and benefits, that were formerly paid for out of the Trust and Agency Fund, are under the levy limitation. | Creates a “Retirement Systems Expense” levy that can be used to pay for retirement and pension expenses only. |
| Health Insurance | Under the levy limitation. | Under the levy limitation. |
| Reserve / Ending Fund Balance | 25% Reserve/Ending Fund Balance language. | Does not impact reserve/ending fund balance. |

SF267 | **Unlicensed Massage Therapy Regulation**

- Companion and successor to [SSB1037](#) and [HF479](#).
- Makes operating as an unlicensed massage therapist a simple misdemeanor.
- League worked with legislators on this bill after our members expressed concern over the need to prevent human trafficking in their communities.
- Original version of the bill preempted city authority to address those concerns, that section has been removed.
- Amended in House to allow for an affirmative defense in the case of human trafficking and will be sent back to the Senate.
- League is registered in support.

HF537 | **Use of Right-of-Way**

- Companion and successor to [HSB32](#), [SSB1152](#), [SF401](#), and [SF611](#).
- Specifies that a city can only collect incurred costs attributable to the management of its existing right-of-way that are direct and fully documented.

- Clarifies that this does not prohibit the collection of franchise fees or voluntary agreements between public utilities and local governments.
- Passed on the House floor. Will be sent to the Senate.
- League is registered in opposition.

SF302 | Autonomous Vehicle Regulation

- Companion and successor to [HSB122](#), [SSB1128](#) and [HF535](#).
- Allows autonomous or driverless vehicles to operate in Iowa under specific and outlined circumstances including minimal risk assessment capabilities, ability to comply with traffic safety laws and manufacturer's certification of federal standards.
- Covers insurance, accidents, rideshare and other concerns.
- Prohibits a local government from imposing restrictions on autonomous vehicles.
- Passed House and Senate. Sent to Governor.

SSB1261 | Lobby Regulations, Restrictions for Cities

- Provides regulations for political subdivisions to utilize lobbyists, including organizations such as the Iowa League of Cities.
- Requires posting on the organization's website all compensation and contracts with lobbyists, all registrations on legislation and amendments, summaries of all legislation and amendments, all votes on legislation and amendments by the legislature, and the outcome of any legislation they registered on by the end of the fiscal year.
- Passed out of Senate subcommittee.
- League is registered undecided.

HF767 | Electric Vehicle Tax and Consumption Tax

- Companion and successor to [HSB197](#), [SSB1208](#), [SF473](#) and [HF725](#).
- Establishes an additional registration for electric vehicles that graduates into and then is set at \$130 and \$65 for hybrid vehicles.
- Creates an excise tax for electric vehicle charging stations and credits the money to the Road Use Tax Fund.
- Passed on the House floor.
- League is registered undecided

[SF625](#) | **Empower Rural Iowa Act**

- Companion and successor [SSB1193](#), [HSB204](#) and [HF772](#).
- Debated and voted out of the Senate Ways and Means Committee, but was amended to remove the housing component.
- Previous version of the bill increased the small city set aside for affordable housing grants to \$10 million and created a merit-based selection system. Current version struck all mentions of the housing component leaving only broadband.
- League is registered in support.

[HF780](#) | **Nuisance Abatement**

- Successor and companion to [HF676](#), [SF93](#), [HSB172](#) and [HF780](#).
- Provides a tool for cities to manage nuisance properties when the owner of the property has abandoned it.
- Legislators intend to amend the bill to prevent unintended consequences and clarify several points before bringing it up at committee.
- Passed out of House subcommittee.
- League is registered in support.

[SF633](#) | **Subdivided Real Property**

- Successor to [SSB1150](#).
- Removes five year timeline for platted land to be categorized and taxed under new development.
- New categorization and tax implications would be effective only after the property is sold for development or construction, allowing farmland to remain taxed as agriculture despite being platted.
- Voted out of Senate Ways and Means Committee.
- League is registered undecided.

[HF753](#) | **Public Defender Fees**

- Companion and successor to [SF52](#), [HF4](#) and [HF529](#).
- Requires a city to provide documents including video tapes, audiotapes, police reports, among others, to a public defender at a cost not to exceed \$10.
- If extensive video or document editing would be required, the bill allows a protective order to be placed on the documents to prevent extra expense due to editing.
- Passed out of the House on Thursday.
- League is registered undecided.

Legislative Forums

April 19

[Senator Rich Taylor, Representative Joe Mitchell, and Representative Jeff Kurtz in Fort Madison](#)

April 20

[Representative Jeff Shipley, Representative Joe Mitchell, Senator Mariannette Miller-Meeks, and Senator Rich Taylor in Fairfield](#)
[Representative Dave Kerr and Senator Tom Greene in Burlington](#)

[Representative Jennifer Konfrst in Clive](#)

April 22

[Representative Marti Anderson in Des Moines](#)

League Updates

[2019 Nuisance Abatement Conference](#) registration has opened! Join the League in Coralville on May 15 for a day-long discussion on how to clean up your city and improve the community.

[Get even more updates and news from the League](#) by subscribing to League Weekly. That newsletter is emailed each Tuesday and includes grant opportunities, workshops and more.

Thank you for taking the time to read the League's legislative newsletter, *Legislative Link*.

As always, *Legislative Link* is a snapshot of the League's overall government affairs efforts. It is meant to provide as much information as possible without overwhelming you with the minutia of the legislative process. It is important to know that all of this information including bill numbers, viability, and even the bills contents are constantly changing until they are signed into law by the Governor. If you have any questions about the legislative process in Iowa, if you would like to get more information about legislation listed above, if you would like to know about legislation that is not listed above, or if you want to learn how you can be more involved in advancing the League's Legislative Values through grassroots outreach, please contact danielstalder@iowaleague.org.



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You are receiving this email because you requested legislative updates from the Iowa League of Cities.

The League sends Legislative Link on Fridays during session, and it contains a snapshot of where pertinent bills are throughout the legislative process. Legislative Link is designed to educate and inform members of the current legislative process and climate as a first step to engaging and helping the League create positive outcomes for cities across Iowa. We hope you will help advance our legislative values, and we welcome your support.

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